

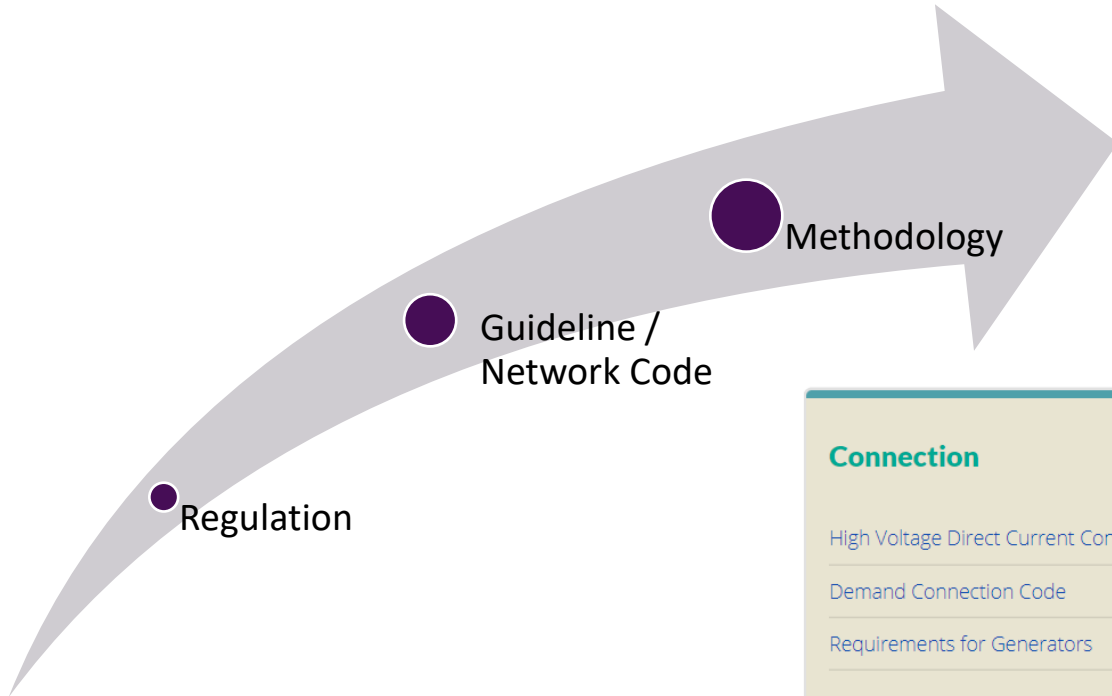
How market participants see the development of the electricity market

Petteri Haveri, Finnish Energy

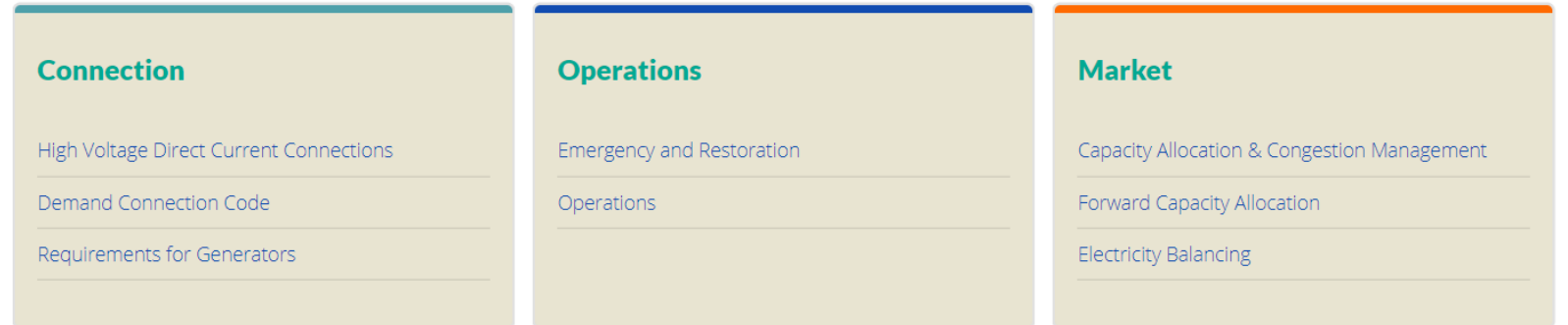


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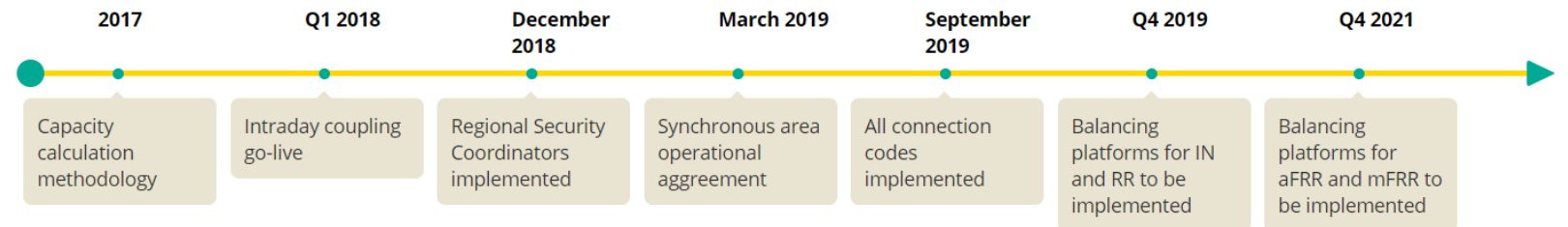
Plan



The code families



Key milestones



But there's a lot of these..

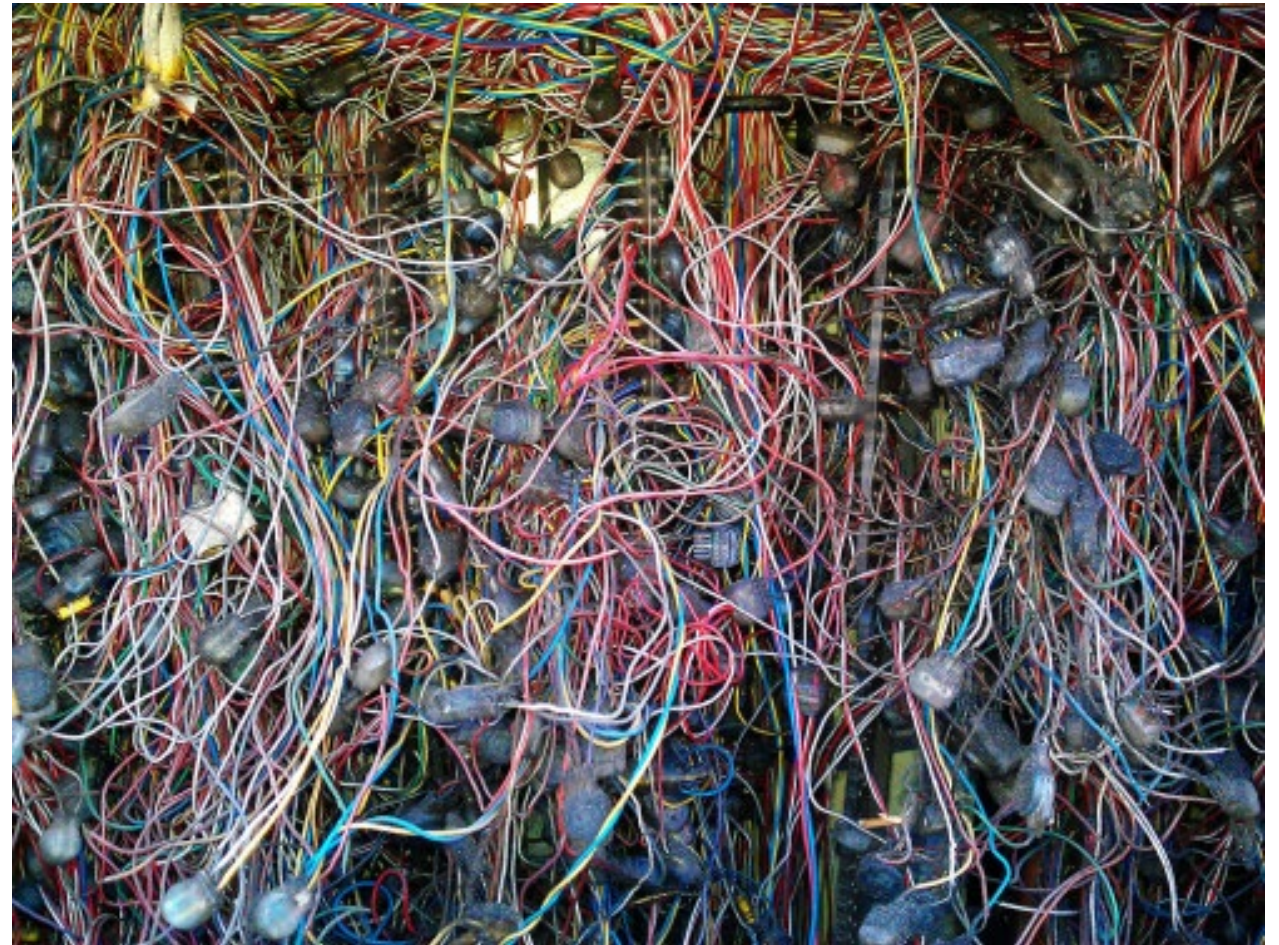
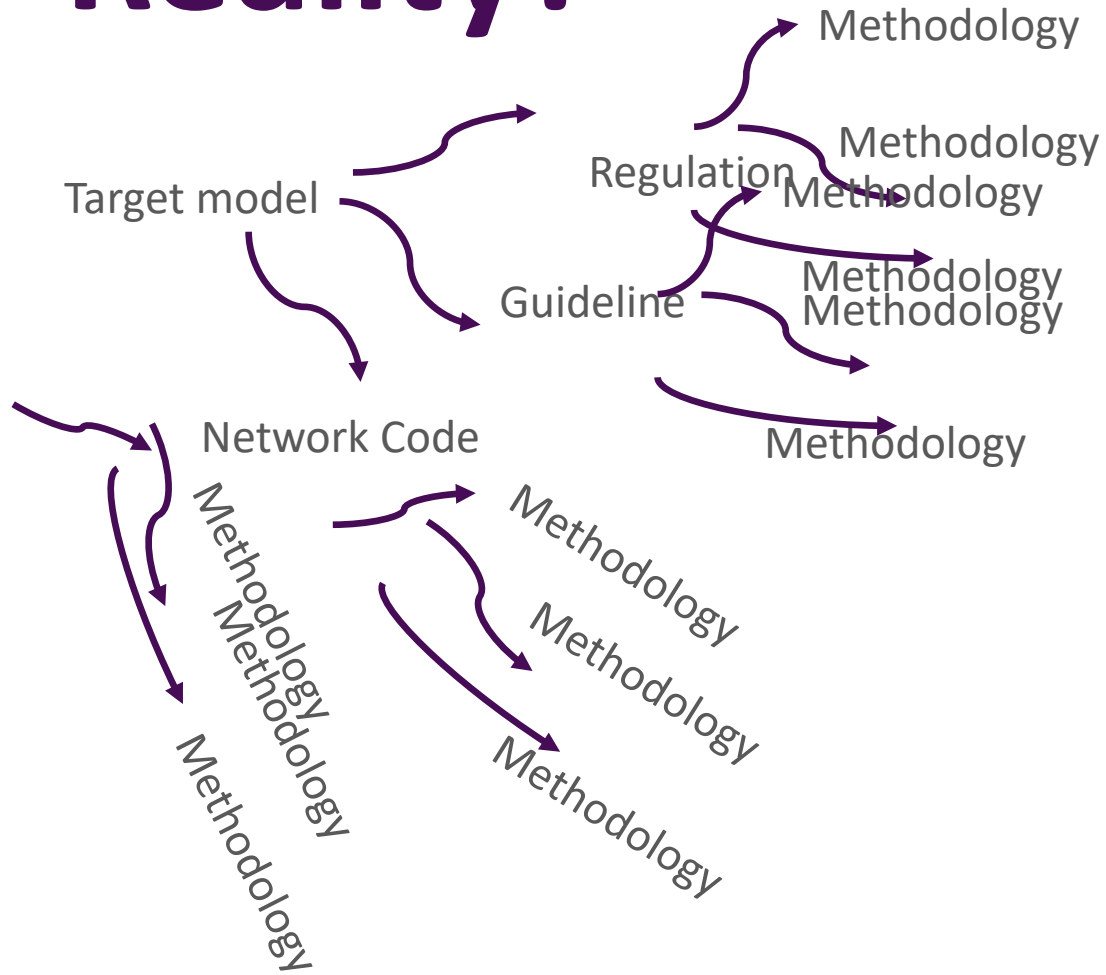
<https://annualreport2019.entsoe.eu/market/>

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https://www.entsoe.eu/network_codes/

3.11.2020

Reality?





Are all the beacons in place and are they leading us to the harbour?

Future's (today's) electricity system is complex

The share and amount of renewable generation is increasing, and the customers are learning to react on electricity prices

- Intermittency
- Predictability

And there's not much we can or should do about it! (but learn)

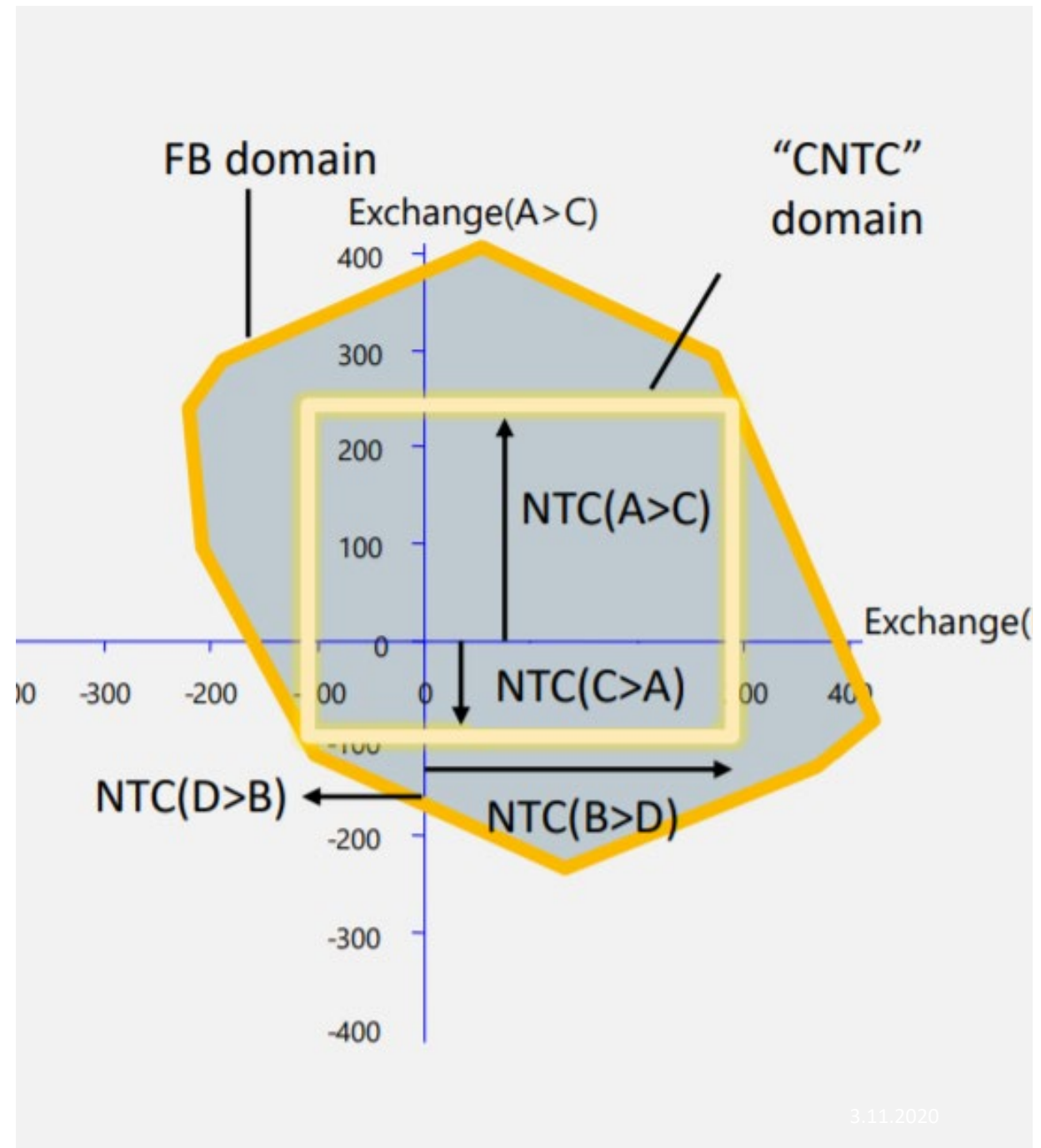
However, we can avoid additional complexities and provide tools for the markets to better cope up with the inbuilt complexities

The TSOs have responsibility for maintaining the system secure, but overly control causes complexities for the TSOs and for the markets

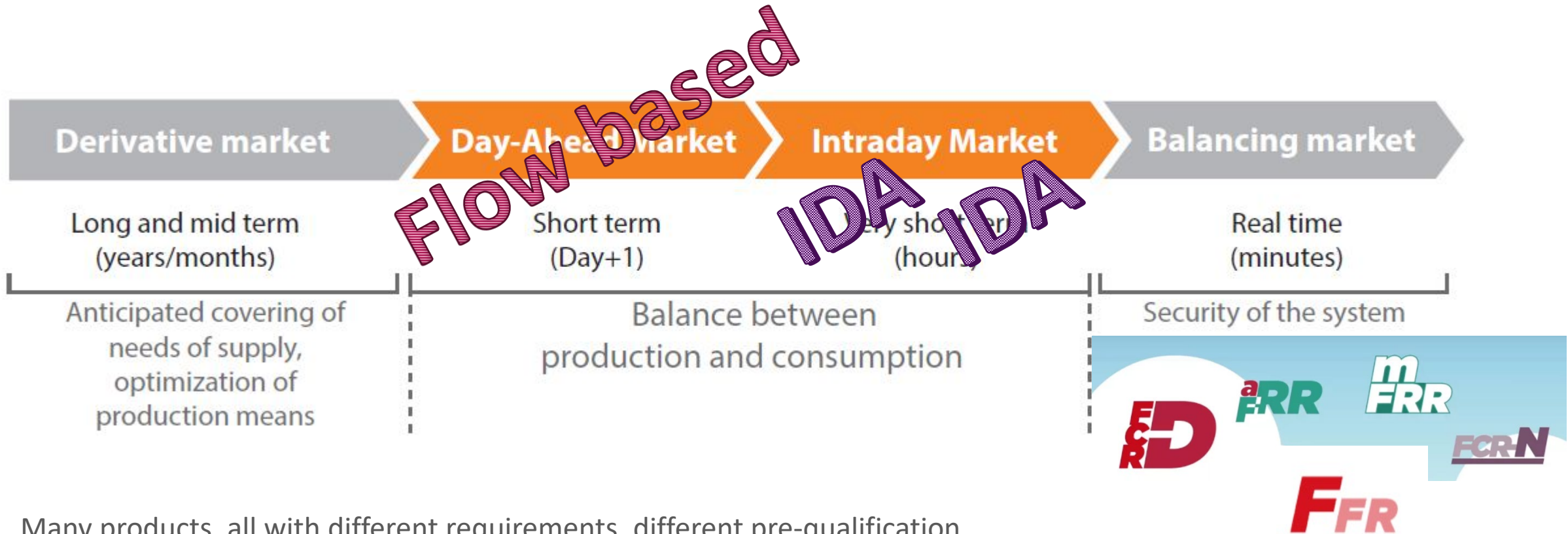
Flow based - complex

Should be a methodology for improving capacity calculation and enabling more transmission capacities for the markets

- However, big worries that it is evolving towards a black box which moves internal congestions on borders, deteriorates intraday-trading and which eventually nobody understands
- There's, however, still time to improve the methodology to fit for purpose and test it properly



Markets are getting more complex



Many products, all with different requirements, different pre-qualification processes among products and among connecting TSOs, differing bidding rules

Where and how should offer my resources and flexibilities?



In short

- Ensure that capacity calculation delivers, and that it's understandable. Additional complexities, such as considering BZ's internal congestions, add complexities
- Instead of creating new products and markets, consider what could be achieved with existing and how to get more participants
 - Bidding rules
 - Understanding
 - Reasonable and harmonized pre-qualification processes
- Give market participants tools to manage their balances and to support the system when needed
 - Transparency on price formation
 - Trading until the start of delivery period
- From national to Nordic and European





**SIMPLICITY, TRANSPARENCY,
MARKET BASED**

**(and Fingrid is actually doing
quite a good job)**



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